File No. 21-06

Serial Nos. 586

1906-7

(58)

Later Refs
SSA 1886-20 - 7th
S — — 38-14
S198 GENERAL AND REVENUE SECRETARIAT.

SSA 64-1881-2
SSA 89-1903-4)
CB. 168-41-658 (S 80)

Part A: Manuscript
for April 07

Serial Nos.

Date of exchange at which the pension of Mr Rice & that of other European officers has to be paid in England.

G.R.S. 11] 1906.]

GENERAL AND REVENUE SECRETARIAT.

(S & A)

NOTES.

File No. 21-06.

FILE HEADING.

Payment of pension to Mr B. L. Rice, C.I.E., in England.

From

B. L. Rice. Esquire. C.I.E. (Director of Arch^l. Retired list).

No. Letter Dated 5. 10. 06. Received 23. 10. 06.

Diary No. 1569	Enclos. --	Spare Copies. --	Serial No. 5.

BRIEF ABSTRACT OF LETTER.

Represents that the payment of his pension in England at the rate of 1^s 4^d the rupee as fixed in note 2 to article 500 of the Mysore Service Regulations operates on him as a hardship ~~I request~~ ^ to be paid at 1^s 9^d the rupee under art: 934 of British India Service Regulations.

NOTES AND ORDERS.

X. Under article 934 of the Govt. of India Civil Service Regulations, 1^s 9^d is fixed as the minimum rate at which the conversion of the rupee into Sterling should be effected in regard to payment of pensions in England. ~~The same rule was in force~~ ^ the practice in Mysore, until a year

Not quite accurately
[illegible]

Notes—First sheet

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2

ago. Note 2 to article 500 of the Supra Service Regulations is based on Govt. order no: R: 3252-3 of the 21st November 1905, in which His Highness' Govt. while Sanctioning the payment of pension to Mr. Standish Lee in England at the rate of 1s. 9d. the rupee, in accordance with precedents, laid it down, on the recommendation of the Comptroller, that, in future, proposals to pay pension in England at the Special rate of 1s. 9d. the rupee could not be entertained. The first case that has come within the operation of these modified Rules is the one under disposal. In Sanctioning the Special rate at 1s. 9d. the rupee to Mr. Standish Lee on the strength of previous cases, the late Dewan has noted that all cases arising hereafter will be dealt with as advised by the Comptroller." ~~This~~ Please see also His Highness' order (Flag W). ~~This practically concludes the present Case as well.~~ So far as the wording of the G.O. of the 21st ~~Oct~~ Nov. 1905 goes, it contemplates no exception.

of Mr. Bressler & Mr. Rudler.

In precedents, vide papers flagged E & P.

2

R

25/10.

In G.O No. 71.31-2 of the 30th July 1906 Mr. Lee was informed that his pension will be paid in England at the fixed rate of 1s. 4d. the Re

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in accordance with the order referred to in the Office note. Mr. Ricci thereupon contended, in his letter of the 9th May, that the correctness of the order and claimed his pension at 1s. 9d. that he was entitled to on the strength of art 934 of the Bom C.R. which, he understood, only was followed in reference to Europeans. The Govt. order of the 6th Sept. explained in sufficient detail how his pension, ~~could~~ under the existing rules could be counted only at 1s. 4d and not at 1s. 9d.

Under disposal.

Mr. Ricci again represents, in his 2 letters of the 5th Oct: are addressed to Mr. Macnaughtan and the other to the Dewan, that his case should be reconsidered. The arguments advanced by him are (1) that note to art 500 of the Cle. C. R (2nd Edition) is of recent origin, certainly since the Rendition and does not apply to his case, as he entered service at a time when it was British service (2) that those who have retired before him have been paid at the rate ~~and~~ of 1s. 9d.

(3) that in any case his case should be sympathetically treated.

Mr. Macnaughtan in forwarding for disposal Mr Ricci's letter believes that Mr. Ricci is entitled to his 1s. 9d and says that in this connection the cases of the other English officers who were in the service when the 1s. 9d rule was introduced

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should also be decided.

The points for decision in this case are

1) whether there was any definite rule prior to November 1905, that pensions may be made payable in England at 1s. 9d the Re to officers retired from the Mysore service and

2) whether Mr. Rice can under the circumstances represented, claim the benefit of the rate of 1s. 9d.

1) The first point has been exhaustively discussed & the Comptroller in his note in File No. 231 (Mr. Lee's case) where he said that there is no authority for the assumption that Mysore is bound to arrange for paying the pensions of its officers in England, and much less to pay it at any other than the market rate (1s. 4d the Re) at the time.

In Alternative 2.

But Govt. specially sanctioned the rate of 1s. 9d to Mr. Lee on the ground of precedents (viz of Messrs Cross & Molloy) and directed the view of the Comptroller for future claims, whereupon a note was added to article 500 of the Regulations (2nd Edition).

2

2) An officer's claim to pension is regulated by the rules in force at the time when the officer retires or is discharged from the service of Govt. (Vide art 2 of the Rules), since Mr. Rice

W

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retired after the introduction of the rule now in question his case is apparently much weaker than that of Mr Lee (when there was no definite rule on the ~~point~~ date of Conversion of pension in England.

His case appears therefore to have been considered under the existing rules, which applies alike to all the officers referred to by Mr Macdonnell.

B Freeman Thomas.
26.10.06.

Strictly speaking, Mr Rice's contention seems to me untenable, for reasons relevant in the preceding notes. Whether "the length and value of [his] service justify special consideration," as urged by Mr Rice, is a point for orders of Govt. This is a scheduled matter, as it involves a departure from the ordinary rules. But as a question of the application of rules is involved, this will in the first instance be _____

Referred to the Comptroller for opinion.

30.10.06

No 80 of 30-10-06 encl as per list.

COMPTROLLER'S OFFICE
1906

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Note № 118 of 1906-07.

Before considering Mr.Rice's contentions in detail I wish to point out that the addendum to the Mysore Regulations now complained of is not any alteration of rules already in force, but it is merely an affirmation of what was clearly the intention of the Regulations. It will be observed that there was no provision in the Code at any time for payment of pensions outside India. On the other hand, it was clearly laid down in Article 497(a) of the Regulations that a pensioner not resident in India should draw his pension in India through Agents. The question of exchange was thus clearly avoided.

2. It is merely an accident that the Government of Mysore has now an arrangement with the Mining Companies for paying the Government dues in England to a banking firm. A banking firm is not a Government Treasury and it is impossible to assume that the obligation undertaken by the Government of India to pay their pensioners resident in England at the Home Treasury, should be imposed upon the Government of Mysore, which has no Treasury of its own outside Mysore. I have already fully stated my views on this question in my note of 28-10-'05 and I need not add anything here. I may only say here that the failure of the firm of Messrs. Arbuthnot & Co., brings into prominence the question of continuing the arrangement with Messrs. Coutts & Co., in its present form, and I shall have to say something on the subject in due course.

3. Mr.Rice's first contention is that the minimum rate of 1s-9d was fixed by Parliament and sanctioned by the Secretary of State. This is quite true but the

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vote of Parliament and sanction of the Secretary of State do not apply to the Mysore State or to any Native State in India, but they apply only to pensions payable from the British Indian Revenues. On this head, I am absolutely certain. Whether the Mysore Government should adopt the same rule for its own officers is a different matter, but there can be no doubt that the particular vote and sanction could not be meant for Mysore.

4. Mr.Rice's next contention appears to be that a change made in the Regulations since the Rendition, cannot be fairly applied to him, as he was employed in Mysore even before the Rendition took place. If this is to be admitted, then my reply is that the 1s-9d rate was fixed long after the Rendition and he should not therefore claim the benefit of it.

5. But Mr.Rice's contention probably is, that he having been employed in Mysore before the rendition, he should have the benefit of the British Service Regulations. As regards this contention, I find that Mr.Rice commenced service in Mysore in February 1860, when the State was administered by the British Commission, but apart from his employment in Mysore during the time it was under the British, he had no status in British Service proper. He is really one of those officers who belong to Class (C) in the classification given in para 3 of letter No.1543 I dated 1st May 84 from the Secretary to the Government of India to the Resident in Mysore, and his claims to pension is regulated by para 9 of the same letter.

6. This para treats of officers of Class (C) who remained in employment in Mysore after the rendition of

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the Province, and states that they "Would receive their whole pension from the Mysore Government", and "all that is required in regard to these officers is an assurance that the Government of Mysore will recognise the claim of these officers to have their service prior to 1st October 1882, considered as qualifying for pension to be granted, calculated in accordance with the Pension rules of the Government of India". The Government of India also "Anticipate no objection on the part of the Mysore State to the acceptance of the obligation" and "considers that it would be an equitable and liberal act for the Government of Mysore to allow the service subsequent to 30th September 82 of officers of this class who were in Mysore, before the Rendition and continued in the same service after Rendition also to qualify for pension in the same manner".

, was done by H.H's Govt. Vide papers flagged F'

7. It was intended by the above arrangement that as regards these past servants of the Government of India they were to be accorded the treatment of their services prior to 1st October 82 as qualifying for pension, and for the calculation of the qualifying service in accordance with the pension rules of the Government of India. But no provision was made in it regarding either the place of payment of their pension, or when paid out of India, the rate of exchange at which it should be converted. In accordance with the arrangement above described Mr.Rice's services prior to 1-10-82 have been treated as qualifying for pension and calculated according to the Pension rules for uncovenanted officers of the Government of India, which are the same as ours. The liability of the Mysore

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Government to make pension payments to its servants, outside India, could never have been contemplated in 1882 or 84, and as already shown this liability could not be undertaken by them.

8. As I have explained above, not only did the Government of India not make any stipulation regarding the specific amount of pension or its payment outside India, but it will be understood that such a stipulation could not be made from the nature of the case. For instance, the pension generally varies with the pay, and it was not possible to anticipate the variations of pay in Mysore during an officers service as compared with those in British India. As a matter of fact, the Mysore Regulations are really very much more liberal as regards the amount of pension than those in British India. In British India the pension of Rs.500 a month is given under exceptional circumstances to selected high officers whose pay varies from Rs. 1500 to Rs.2500, but the ordinary maximum limit of pension is Rs.5000 a year. Here in Mysore the ordinary maximum is practically Rs.6000. This adds 20 per cent to the rupee pension, which Mr.Rice would have been entitled to under the British Indian Regulations, even if he held an appointment in British India like that he held in Mysore.

9. I now come to the Private Secretary's representations regarding all the other European officers in Mysore Service, I am sorry to say that these officers have absolutely no claim to the 1s-9d rate. All these officers entered the Mysore Service after the Rendition and the Government of India ruling even as regards the character of the service was, that in respect of the servants

vide papers flagged H in case of these also.

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servants who entered the service of the Mysore State after the rendition the question whether and under what rules their services shall qualify for pension was entirely for the consideration of the Government of Mysore.

10. The vote of Parliament referred to by Mr. Rice was intended for uncovenanted officers of the Government of India recruited in England who suffered by the fall in exchange. The expression "uncovenanted" has now been dropped and the rule now applies to all officers whether European or Native who reside in England or Europe after retiring from service. In the case of Mysore, the recruitment to the local service is purely local, and officers obtained by special covenant are dealt with separately. There is no separate European service in Mysore. It seems to me therefore to be out of the question that Europeans who choose to come to the local service under the same conditions as regards pay and allowances as the Native officers should have their pension increased by 31¼ per cent of the amount admissible to their fellow-workers in Mysore; for payment at 1s-9d at the current rate means an increase of 31¼ per cent on the rupee pension otherwise admissible.

11. The officers mentioned by Mr.Maconochie are:—

(1) Mr.H.H.Sparkes
(2) " P.R.W.Wetherel
(3) " P.F.Bowring
(4) " J.Cook
(5) " T.Denham
(6) " J.G.Tait

NOTE—Contn. sheet

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(7) Mr.J.Weir

Mr. R.B. Plumer's name is omitted probably by oversight

12. The 1st three officers appear to have been resident in India at the time of their entry into Mysore service. Mr. Sparkes started as Superintendent, Central Jail on Rs.500/- and Messrs Wetherel & Bowring as Police Inspector and Probationery Assistant Superintendent of Police on Rs.120 and 100 respectively.

Mr.Cook was in Madras, as Professor or Principal of Doveton Protestant College before he came here on 1-10-82. Also Mr.Denham was in Madras as Vice Principal Teacher's College. He has been allowed to count 3 years of his Madras Service towards his pension in Mysore.

The other two Educational officers were got out from England.

13. In none of these cases, there appears to be any stipulation to pay their pension in England or in Sterling at any particular rate of exchange, and all these officers have entered our service after the rendition.

Mr.Cook	1-10-82
" Sparkes	1-4-85
" Wetherel	31-8-87
" Bowring	11-11-93
" Tait	14-3-90
" Weir	13-6-90
" Plumer	29-3-90

Their pensions should therefore be regulated by the rules of the Mysore Service Regulations.

14. I need scarcely add that there is not the slightest justification for the assumption that these officers

i-grade was tried in mysore in oct-05 upto that 1-9 was in force vide 2.

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officers could reasonably expect to have their pensions paid in sterling on the basis of 1s-9d rate. This does not prevent His Highness from making special cases for distinguished services like those of Mr.Cook but no sort of claim under the Regulations can be admitted.

15. Mr.Rice's case differs from all the others in this that he was already employed for over 20 years in Mysore at the time of the Rendition. I have shown that he has no real claim to any special concession but if the Government of His Highness are desirous of making any special concession to him in view of his long and distinguished service, I would recommend that he be given the equivalent of Rs.5,000 a year (the ordinary maximum pension in British India) at 1s-9d or £437-10-0 a year against £400 which he is getting under the Mysore Rules. This means an increase of Rs.46-14-0 a month to his present pension of Rs.500.

At 1s 9d we get £ 43 3/4 per Rs.
At 1s 4d £ 33 1/3.
∴ loses 10 5/12 £ per month or 125 £ per year.

17.11.06.

Submitted
K.S.
17.11.06

The above note of the Comptroller Shd. be perused with reference to Letter no 1543 & 1884 from the Secy to the Govt of India to the Resident in Mysore referred to in para 5 of the note Shd. be returned, with the connected correspondence

20.11.6

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Submitted with the references quoted by the Comptroller, as also with the G.O. No. 14582-3 of the 27.2.1893, which the Comptr. apparently had not had before him when he wrote the above note. In that order Govt. have guaranteed to all pensioners paid in England a minimum rate of exchange at 1s 9d the rupee & have laid it down that hereafter in future all the pensioners of the Empire State in this particular matter as the Secretary of State treats the British unguaranteed Civil Service pensioners."

Submitted

K.S.

24/11/06.

Orders are required on two points:-

(1) The request of Mr. Rice for the payment of his pension at 18d the rupee.

(2) The rate at which the pensions of European officers who were in Service when G.O. No. 25386 St.A 33-05-2 of 29.8.06 was passed, Shd be paid in England -

(1) It is a principle of the pension rules that an officer's claim to pension Shd be regulated by the rules in force

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at the time he resigns or is discharged from the Service of Govt. As the rule permitting the Conversion of pensions paid in England at 18d q d the rupee was not in force when Mr Rice retired his claim for the Conversion rate is under the rules inadmissible. In view of his Services to the State, it is however open to the Govt to treat his Case specially. The Complete pension Rs 5000, the ordinary annual maximum pension at 18d q d the rupee in stead of Rs 6000, the Special maximum, at 1/4 d the rupee. This means an addition of ~~Rs~~ £ 37-10-0 to Mr Rice's annual pension or Rs 46-14-0 a month -

(2) In G.O. 14582-3 dt 27-2-93 G 3294 the Govt directed that they would "in future treat all the pensioners of the Mysore State in this particular (payment in England) as the Secy of State treats the British Uncovenanted Civil Service pensioners". This order appears to have been overlooked when W. G.O. dt 9-3-06 was passed. As however the Considerations on which this order

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was passed by His Highness are unaffected

H. by the existence of G.O. of 27-2-1893, there is no necessity to amend the former which shd regulate all future cases and the Officers mentioned in the ~~Para~~ letter of 22-10-6 of the Private Secy to H.H the Maharaja, Com have their pensions Converted into Sterling only at 1sh 4d the Rupee.

In regard to the period of Service for earning a full pension as also about the maximum amount of pension, our rules are more liberal than those of the ~~British~~ Govt of India. The Conversion of pensions Sanctioned in Silver into Sterling at 1sh 4d the Rupee will add to the already heavy pensions charges. Payment at 1sh 4d means 5 annas more for every rupee of the ~~Sanctioned~~ pension Sanctioned.

Another practical difficulty connected with payments in England may be considered - Unlike the Govt of India, the Mysore Govt have no 'home treasury' in England & it may be difficult to undertake a perpetual obligation to make pension

Note—Contn. sheet

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Payments in England — As long as the mining receipts are ~~are~~ paid in England the Govt may arrange for pension payments there but it is conceivable that the Convenience ~~that the Convenience~~ may not always exist. In the absence of such Convenience money ~~will~~ will have to be remitted to England for making pension payments & such remittance will also add to the pension charges —

Sub^o to Secy
mmh
27.11.6

2 d (r)

27/11/06

27/11/06

Govt Proceedings No 14582-3 & 3394 of 27 Feb 1893 - which has now been discovered - puts a new aspect on the Case. It is only fair that the Comptroller should be allowed to see it and make such further remarks as he may consider necessary as a very important question is involved —

W Whittaker Humphett
2 Comptroller

29/11/06

H

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General and Revenue Secretariat.

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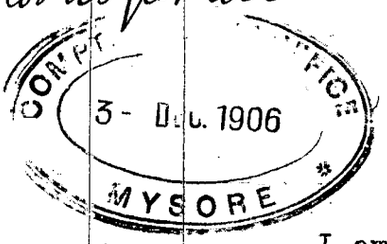
H 103 8-12-06

To the Comptroller, Bangalore

Encls as per list



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I am sorry that the order of 27th February 1893 was not referred to before, either in this office or in the Secretariat.

It is a general order applicable to all pensioners of the Mysore State, but it was communicated only to Dr.Lincoln and though it is usual in the case of important orders of general application to embody them in the Regulations, this was not done ~~at the~~ in the present instance.

The arguments in my note in this file are of general application also, and are not affected by this letter. I am of opinion that the order of 27th February 1893 need not be revived on the following, among other grounds.

(1) At the time the order was issued the magnitude of the liability incurred by Government was not known.

(2) The order did not receive the approval of His late Highness.

The order was issued before the Currency legislation of June 1893 which fixed the rate of exchange between England and India on a gold basis, and it was not possible to foresee the heavy obligation of a permanent increase of annas five per rupee in the already high rate of rupee pension, given to Mysore officers. This question of pension at a higher rate of exchange

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exchange was before Government between 1890 and 1893, and from Sir Seshadri Iyer's query on the back of Mr.Hudson's application dated the 26th September 1890, it is clear that he was not prepared to consider the matter favourably if the additional charge was unreasonably excessive.

Mr.Rangasawmy Iyengar, the then Comptroller, was ill at the time, and in the letter dated 22-11-1890 which he wrote in reply to the query, he assumed that the local officers were entitled to the same concessions as the British Indian officers, employed in Mysore before the Rendition. This, of course, was not the case, as I have endeavoured to show in my note of 17-11-'06. I have therefore no hesitation in saying that the general order of February 1893, was not issued with a due appreciation of its financial effect. I have also no doubt that if the magnitude of the financial liability was fully appreciated the case would have been submitted to His late Highness, but this was not also done.

I venture to invite attention to another point. Between 1891 and 1894 the state of Mysore was really rolling in surplus, and it could afford to be liberal with every class of its public servants. Now the position has changed. The Subsidy has been increased by 10½ lakhs, the allowances to the Ruling family has been increased by about 5½ lakhs, and the ordinary expenditure of the State has increased so much as to attract the attention of the Government of India, and the State has been asked to apply the pruning knife

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knife to every branch of the Service. To what extent alterations can be made in the already too liberal Leave and Pension Rules, is one of the subjects for consideration of Government.

I therefore submit that, as proposed in my note of 17-11-'06, the general rule should be as it now exists in the Code, which has recently been altered with the sanction of His Highness, and that the power to make exceptions in special cases like that of Messrs Rice and Cook should rest with His Highness.

7.12.06.

It is a serious thing to undertake the liability to pay all such pensions ~~in England~~ at 1s-6d the rupee. The payment of these pensions in England is clearly a concession which, as shown by the Comptroller, the Mysore Govt has only been able to show by reason of accidental circumstances.

The 1st Councillor, who as chief Secretary passed the draft of the order of 27-2-93 under the directions of Dewan Sir Sheshadri Iyer, may no doubt (when the file goes to him) be able to say what was the intention & scope of the order.

27/2

7/11

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Mr Rice has rendered long and distinguished services to the state. He completed his remainable services many years ago and if he had Chosen to retire on 1st April 1905, the date of Mr Standish Lee's retirement; he would surely have been granted the Concession rate of 1s. 9d for payment of his pension in England. He was granted an extension of service from year to year, purely in public interests. Is it fair to make him suffer in pension on this account? Comparing the Cases of the Officers quoted in these notes, Messrs Cress, Molloy & Standish Lee, there can be no doubt that Mr Rice deserves the Concession far more than any

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of them. Again we cannot get over Govt Proceedings of 27th Feb 1893 in which it was expressly stated that "Govt would in future treat "all the pensioners of the "Mysore State in this particular "(payment of pensions in "England) as the Secretary "of State treats the British "uncovenanted Civil Service "pensioners". Mr Rice apparently takes his stand on this order and his position seems to be unassailable. He has precedents in his favor. There is a Govt order in support of his claim. Above all he is entitled to sympathetic consideration. My humble opinion is that Mr Rice is entitled

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to draw his pension of Rs 6000 a year in England at 1s 6d per rupee. and this may be sometime so much about Mr Rice's case But when I come to deal with the larger question of pensions to the other European officers now in service, I feel that I am not on firm ground. They are officers who entered service after the Rendition and they should abide by the same rules as are applicable to local officers. The G O of 27th Feb 1893 was apparently not communicated to them as one of the terms of their engagement and the Comptr-Genl's argument applies fully in their case. The Mysore Govt cannot afford to give them

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5 annas more for every rupee of their pension. There are also objections to their being treated with special favour as compared with Indian officers of the service. It will be inadvisable to form them into a Corps de Elite with special rates of pension &c. The existing pension rules are much more liberal than those for uncovenanted officers in British India.

On the other hand it may be urged that if it is necessary to employ European officers in our service they should be treated liberally in just the same way as their Compeers in British service. To this it may be answered that when they entered service here they had no reasonable expectation that their

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persons would be paid
to them at home at 1s. 9d
and that they should be
bound by the rules of
the Mysore Service Regu-
lations.

It may be argued that
the withdrawal of the
concession would render
the service unattractive
to good men but this
point need not be pushed
too far, considering
what kind of men we
have been able to get
so far.

In the result I agree
with the Comptroller
Special cases being
reserved for separate
treatment under the
orders of H.H. the Maharaja

W. Nottingham
9/12/1906

Vide type written note put up

30/12/07

Note—Comp. sheet.

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Circulate

10/12

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First Councillor's note

Dated Bangalore, 30th January 1907.

I am humbly of opinion that under the Mysore Government Proceedings No. 14582/G.3394 dated 27th February 1893, Mr. Rice is entitled to have his pension at 1s 9d per Rupee while it is paid to him in England.

2. I am unable to concur in the arguments which the Comptroller has advanced to belittle the scope of G.O. above cited. It is a general order applicable to all pensioners of the Mysore State, and every one of these pensioners is entitled to claim under it although it stands communicated only to one Pensioner. It is addressed to the Comptroller who is the chief Paymaster of Mysore State Pensioners. Mysore Government Proceedings are practically State Resolutions, Resolutions in rem so to speak; and it would be a bad day indeed, if it be possible, for any one acting under a Mysore Government Resolution to be disappointed merely because it is not addressed to him. In the ordinary course of things the Comptroller of the day should have communicated the order to every Pensioner affected by it even as seems to be the practice in the India office.

3. The order of 27th February 1893 above cited only generalised the procedure which was being previously adopted in the case of Mysore State Pensioners residing in England and paid through the Secretary of State. That procedure is explained in the India Comptroller General's letter No. 1663 dated 5th Jany 1891 addressed to the Madras Accountant General who sent

NOTE—Contd. Sheet

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sent a copy thereof to the Mysore Comptroller. The procedure was agreed to in the Mysore Chief Secretary's letter No. 906/75 dated 27th May 1891 addressed to the Mysore Comptroller. It was also one already ordered by the Secretary of State and the Government of India who prescribed 1s 9d as the rate at which the Rupee should be calculated when pensions were paid in gold currency in England whether those pensions were debitable to the State Funds of the Government of India, to Local Funds of the Government of India, or to the accounts of Foreign States. This rate of 1s-9d was in supercession of the rate fixed for the financial year for all the Secretary of States' transactions (which for the year 1890-91 was 1s 5d, and probably other figures for other years). On the one hand, the adoption of the higher rate was communicated by the India office direct to the Mysore State Pensioners interested -Vide India office letter date 9th August 1890 addressed to Mr. H.R. Hudson (a Mysore State Pensioner of the Survey Department). And on the other hand, the excess had been ordered to be recovered from the [illegible] Foreign States concerned.

4. It is true that the draft of the Mysore Government order of 27th February 1893 does not contain the initials of H.H the late Maharajah of revered memory. But I can say that there is absolutely no reason to suppose that it had not H.H's sanction. For one thing, Col: Campbell's letter dated 9th Feby 1893 shows that H.H. was willing to allow it in Dr: Lincoln's case. Dr: Lincoln was a statutory native of India and not a British Born subject of His Majesty and

Note—Contn. sheet

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and there was nothing very special about him or his services. For another thing, the order in question only followed the British Government in prescribing for Mysore Pensioners what the British Government had prescribed for the pensioners of their Uncovenanted Service. It was one of a series of orders by which European Officers in Mysore were placed on a level with those in British India in regard to the consequences arising from a depriciation of the Rupee. Thirdly, it only formally confirmed a procedure which the Secretary of State and the Government of India had already ordered for the Pensioners of Foreign States (including Mysore) paid through the Secretary of State. (See Madras Accountant General's letter above cited). Fourthly, it was issued after consulting the Comptroller of the day. (Vide Mr. Rangasami Iyengar's letter dated 22nd Nov. 1890 and Mr. Eagle's Memo No.1373 dated 11th Febry 1893). Fifthly and lastly, it was communicated to the Residency in Chief Secretary's letter No.12894/G2790 dated 3rd February 1894.

5. It is also true that the order of 27th Febry 1893 was not embodied in the Service Regulation As these Regulations are compiled in the Comptroller's office, the fault again ~~lies in that office~~ (in this as in another case noticed ere this) lies in that office.

6. In my humble opinion also the G.O. of 27th February 1893 applies to all officers entertained in the service before it was amended by the Comptroller's amendment

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amendment slip No.1 dated 29th August 1906 amending the Service Regulations in accordance with Government Order No. FL 5386/S&A33-05-2 dated 9th March 1906 and inserting article 523A of the 3rd Edition of the Regulations (so as to correspond with the note to article 500 of the 2nd Edition). In this view, it seems to be desirable to insert a note to the said article that it does not apply to officers entertained before the 9th March 1906.

7. Be it noted that the Mysore Government order of 27th Febry 1893 only places our Europaan officers in the matter in question on the same footing as uncovenanted officers in British India for the time being. The former would get their pension at 1s 9d only if and while the latter get theirs at the same rate. It is idle to trot out the currency legislation of 1893 in this connection, for if that legislation has not affected the rate of exchange for uncovenanted service pensioners of British India, there is no reason why it should affect the rate in the case of Mysore Pensioners. The higher rate is indeed a concession to European officers. But it has to be regarded as one of those items which go to constitute the cost of European officers which the State here, as in British India, must be prepared to incur if it desires to stiffen the services with the European element. And after all what is the additional cost entailed by the G.O. of 27th Febry 1893? The excess of 5d per Rupee on an annual pension of Rs5000 works out to be £ 104-3-4 per pensioner per annum. Sir Seshadri Iyer's note dated 17th Nov 1890 written behind Mr. Hudson's letter shows that the consideration

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consideration of extra cost was not lost sight of. He would not approve the higher rate if it proved to be excessive and unreasonable, and the subsequent sanction must be regarded as proving that the actual cost was worked out and found to be moderate and reasonable. The number of European officers then in the service was well known, and it was about this time that Sir Seshadri Iyer drew up (among others) a memorandum on the requirements of the services in respect of European officers.

8. In the new article (523A) of the Service Regulations, 1s 4d is given ~~at~~ as the rate of exchange for the future. I do not think that this is correct or reasonable. If Rupee pensions are to be paid on the Rupee basis in gold, why not say that the rate of exchange to be adopted shall be the market rate of the day? This market rate would be sometimes more than 1s 4d and sometimes less. In the former case, the pensioner would be the loser and in the latter case the State would be the loser by adopting the 1s 4d rate. It is true that 1s 4d is the legal tender rate. But, under the circumstances, the market rate of exchange would be the fairer rate.

T. Madhava Rao

First Councillor.

P. S. The "Home Treasury" argument is irrelevant. If relevant it is rather in favor of the Mysore State European Pensioner than otherwise, for, the money in the Home Treasury of the British Indian Government is Rupee Revenue accruing in India remitted ~~here~~ to

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to England, whereas in the case of the Mysore State, the money is sterling Revenue accruing in England.

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C 1226.

GENERAL AND REVENUE SECRETARIAT.

Council matter.

Subject.

Request of Mr. B.L. Rice for the payment of his pension in England at 1s. 9d. per Rupee under Article 934 of the British India Service Regulations, instead of at 1s. 4d. as already settled in Government Order No. ~~H~~ Fl.31-2/830 dated the 3rd July 1906.

Circulated to Councillors.

By Order,

Secretary.

10th December 1906

C 336/11-12-06

T. Ananda Row Esq,. B.A.
First Councillor.

Please see the Councillor's remarks below the Office Note. TG

3606/1.2.07

K.P. Puttanna Chetty Esq,.
Second Councillor.

Seen by Second Councillor.

199
16.1.07

No. 83/1

PRIVATE SECRETARY MYSORE

Hastings House, Calcutt
31st December 1906.

My dear Mr. Madhava Rao,

I send the enclosed at His Highness' request. There is no record in this office of the letter which Mr. Rice says he addressed to Mr. Maconochie. Do you know anything of it and if so have you taken any action in the matter? If you have will you kindly let me know what has been done? If not, will it not be as well to ask Mr. Rice to make an official representation to you, giving references as fully as possible, as it seems to me that an application of this kind is inconvenient and awkward

to

Hôtel Belvedere, Baumaroche
sur Vevey, Switzerland
1 Dec: 1906

Dear Mr Whiteley,

I hear from Baugarve that you are in Mr Macnochie's place as Private Secretary to H.H. the Maharaja. I therefore write to you regarding a letter I addressed to Mr Macnochie on the 4th October for submission to His Highness on the subject of the rate at which my pension was to be paid. I was not aware at what date Mr Macnochie left, and as no answer has been received by me, I am uncertain whether the letter has come before His Highness or not. Would you very

addressed the letter to Mr Maconochie

which I have mentioned above. Remember

[illegible] who was [illegible]

[illegible] of

[illegible] 1/9 [illegible] same

[illegible]

[illegible] Duke in [illegible]

[illegible] the public dinner given to

him at the U. S. Club to thank him for

his services. I am stating all this in case

my letter to Mr. Maconochie has not reached

its ultimate destination.

This 1/9 rule has been paid to officers

who have retired before me only recently,

and continues to be paid. It certainly

would be very hard if after the unusually

long and not I hope undistinguished

services I have rendered, my[illegible]

I should by an arbitrary action of this kind, opposed to the decision of the British Parliament and Supreme Government, be deprived of a large portion of the pension which has been justly earned and which I had every confidence in expecting to receive. You can I think testify yourself to the great expense of living in England. Even at the 1/9 rate my pension would not go far. To reduce it to 1/4 is to inflict real hardship. This I cannot believe His Highness will consent to. The difference to the Mysore Government is of slight importance, and there are no other officers I think in Mysore that can put forward

Copy from the India Office - Civil Service Regulations - Article 334

Pensions granted in rupees which are drawn at or through the Home treasury are converted into sterling at the rate of exchange from time to time fixed for the adjustment of transactions between the British and Indian Governments, subject to the condition that, in the case of persons resident in any country in which the Indian Government rupee is not legal tender, 1/6 is fixed as the minimum rate at which the conversion into sterling shall be effected.

+ Of course in the case of the Mysore Govt the Home treasury is Coutts & Co. R

Bangalore

10 March 1907

Dear Mr. Madhava Rao

I write to remind you of our conversation yesterday when you kindly promised to go with the application of my father regarding his pension and I should be much obliged if you

Submitted to His Highness.

I submit for orders a file of papers on the question of the rate of exchange at which the pension of Mr. B.L. Rice and incidentally that of other European officers now in the service, has to be paid in England.

In British India the pensions of uncovenanted officers were being paid in England at rates of exchange varying with the state of the market and fixed by the Secretary of State from time to time. Owing to the depreciation of the rupee and the great reduction in the sterling value of Indian Rupee pensions, the Government of India passed orders in 1890 guaranteeing a minimum rate of 1s. 9d. for the conversion of Rupee pensions paid in gold with effect from 1st April 1890.

This ruling was applied by the Government of India to the case of certain officers of the Mysore Government who were paid their pensions in England by the Secretary of State for India. This was communicated

to the Durbar by the Accountant General, Madras, and in letter No.906/75, dated 27th April 1891, the Comptroller was informed that "the Durbar accepts (as regards Mysore pensions payable in England in whole or in part) the Secretary of State's ruling guaranteeing to all pensioners paid in England a minimum rate of exchange as explained in the Comptroller General's letter No.1663, dated 5-/-1891 to the address of the Accountant General, Madras." This concession appears to have been extended also to certain other retired officers whose pensions were being paid in England direct by the Durbar and not through the Secretary of State for India.

In February 1893, Dr. Lincoln a retired officer of the Durbar who was living in India, expressed his intention to live in England, and prayed for permission to do so and to draw his pension in England at the favourable rates of exchange allowed in the case of uncovenanted servants of the Government of India.

On this, Government order 14582-3/G.3394, dated 27th February 1893, was issued stating that "the Government of H.H. the Maharaja in according the permission solicited by Dr.Lincoln to reside and draw his pension in London, are pleased to extend to him the ruling contained in letter No.906/75 dated 27th April 1891 guaranteeing to all pensioners paid in England a minimum rate of exchange at 1s. 9d. the rupee, and in future they will treat all the pensioners of the Mysore State in this particular matter as the Secretary of State treats the British Uncovenanted Civil Service Pensioners".

This order was communicated to the Comptroller and to Dr.Lincoln. No note of the concession was however made in the Mysore Service Regulations.

In Order No.4278/G.1088 dated 7th September 1894, Government approved of the Comptroller's action in ordering the payment in England of the pension of Mr.Butcher retired Assistant Settlement Officer at the rate 1s. 9d. the rupee.

On the basis of the Government Order of 27th February 1893, Government in Order No. 0199-200/61-92 dated 2nd March 1899 directed the payment of Mr. Cress's pension in England at the rate of 1s. 9d. the rupee.

In the case of Mr. A.J. Molloy, payment of pension in England at the rate 1s. 9d. the rupee, was sanctioned in Government Order 7650-51/P&A 1646 dated 29th June 1901.

The question of the rate of exchange came up again in 1905, when Mr. Standish Lee applied for the payment of his pension in England. In the discussions in this case, the cases of Messrs. Molloy and Cress were referred to, but it does not appear that reference was made to the files of 1891 and 1893 (referred to supra), and particularly the proceedings of 27th February 1893 under which the Government of His Highness the Maharaja ruled that the favourable rate of 1s. 4d. was to apply to all pensioners in future.

The Comptroller (Mr. Basu) was against making the payment in England at more than 1s. 4d. the rupee, but in Order Fl. 3252-3, dated 21st November 1905, Government on

on the analogy of the cases of Messrs. Cress and Molloy, sanctioned the payment of the pension in England at 1s. 9d. the rupee to Mr. Lee, and added that the concession would not be granted in future, all such payments being made only at 1s. 4d. the rupee.

In pursuance of this order the Comptroller submitted for approval an addendum to the Mysore Service Regulations and this was approved on 9th March 1906.

We now come to the case of Mr.B.L. Rice late Director of Archaeological Researches in Mysore. This officer retired from the service with effect from the 1st October 1906, after the expiry of 3 months' privilege leave from 1st July 1906. A pension of Rs.500 per mensem was sanctioned in his favour, and under the existing rules on the subject this was ordered to be paid at 1s. 4d. per rupee.

In his letters on the subject Mr. Rice apparently bases his claim to the more favourable rate of exchange upon the orders

issued by the Government of India in regard to uncovenanted officers in British Indian service. This is evidently a mistake. Mr. Rice though he took up service in Mysore prior to the Rendition had no status in British service proper, and the case of such officers has been dealt with in Residency letter No.450-60 dated 21st May 1884 and Government proceedings 6608-14-144 dated 2nd March 1885, in the latter of which it is laid down that "Uncovenanted officers who, having no status in British service proper were employed in Mysore when under British administration and who have continued to be employed in Mysore since the Rendition of the Province, as well as all uncovenanted officers entertained in Mysore after the Rendition will be entitled to pensions and leave allowances under the rules now in force". From this it will be seen that Mr. Rice and other officers similarly situated were entitled to pension only according to Mysore Rules and the rules for uncovenanted officers in the British India service had no

application to them.

It is thus clear that Mr. Rice is not quite right in basing his claim on the Government of India's order referred to.

As already stated (vide para supra), the Durbar in their proceedings of 27th February 1893 extended the rate of exchange at 1s. 9d. the rupee to all pensioners of the Mysore State. This concession has been withdrawn by the Government proceedings of ~~March 1906~~ 21 Nov 1905. It is only upon this order of 1893 that the claim of Mr. Rice to the special rate of exchange can be sustained.

It is a fundamental principle of the pension rules, that the pension of an officer should be regulated only by the rules in force at the time when the right to pension accrues, that is when the officer actually retires. (Vide Art. 2 MSR) Except in the case of officers with whom special covenants regarding pay, pension, &c., are entered into at the time of their ~~retirement~~ entertainment, it is obviously impossible for Government to permit

the pension of each officer to be regulated by rules in force at the time of his entry into service, or to make special rules for each individual officer.

Suitable changes in pension and leave rules are necessary from time to time, and some of these changes may be advantageous to and some disadvantageous to individual officers. One such advantageous change is the increase of the maximum limit of pensions from Rs.5,000 to Rs.6,000 a year, a change which has benefitted several officers -including Mr. Rice- who entered service long before the alteration was made. Of course whenever important changes in such rules are made, the Government is bound to and does consider their effect upon the prospects of officers in the service, and changes likely to seriously prejudice such officers are not adopted unless there are strong grounds of public policy and necessity such as ought to override the interests of individuals.

Strictly speaking, therefore,

Mr. Rice's case should be dealt with only according to the proceedings of ~~March 1906~~ Novr 1905 and his pension paid only at the rate of 1s. 4d. the rupee. This ~~strict~~ view of the matter has been argued in the notes of Mr. Basu in the file. In the last para of his note dated 7th December 1906, Mr. Basu recognizes that Mr. Rice's case is a special one, that special treatment outside the Mysore Service Regulations might be extended and that he may be given a pension of Rs. 5,000 per year at 1s. 9d. per rupee.

The First Councillor Mr. Ananda Rao is of opinion that the proceedings of (Novr 1905 and) 9th March 1906 withdrawing the concession should not be applied to European officers who entered service before the date of that order and that Mr. Rice and other officers who entered service before 9th March 1906 should have their pensions paid at 1s. 9d. the rupee.

The Second Councillor agrees with the Comptroller in ~~the strict~~ his view of the case and thinks that in the peculiar circumstances

of Mr. Rice's case his pension may, as a special concession, be paid at 1s. 9d. the rupee.

There is no doubt that whatever may be the decision on the general question Mr. Rice deserves special consideration. He served the State for over 46 years, and his work as Director of Archaeological Researches in elucidating the early history of Mysore and Southern India cannot be overestimated.

As regards the general question itself, I have carefully considered the matter and arrived at the opinion -agreeing with the 1st Councillor,- that in the case of officers who entered service before the Government orders of 21st Novr. 1905, declaring that the concession will not be shown in future, the order of 27th February 1893 making the pensions payable at 1s. 9d. the rupee should be given effect to, and that officers entering service after 21st Novr. 1905 should not be entitled to any such concession. In any case, it will be distinctly understood that the

concession of payment in England will be continued only so long as the Durbar possess facilities for such payment as at present, and that if in future such facilities cease to exist, the pension will cease to be payable in England and will only be paid in India at the rupee value of the pension.

1898/1905

Record of cases submitted for the Orders of His Highness the Maharaja.

Subject.

Rate of Exchange at which the pension of Mr. B.L.Rice and incidentally that of other European Officers has to be paid in England.

ORDER.

696

I approve the proposals set forth by the Dewan in the last para of his note of 18-3-07.

This will include Mr.B.L.Rice's case.

KRW
23/3/07

663
27/3/07

26/3/1907
Let me have a draft order quickly. (It should be carefully prepared as it may have to be published) — 26/3/07

+ + +

16
30-3-7

G. R S. 12]
General and Revenue Secretariat.

S & A File No. 21 of 1906-7.

Serial No.

There has been some delay in putting up a draft which is stated to be due to pressure of work in the Secretariat. The matter has been under the consideration of the undersigned since the 13th instant.

13.4.07.
16.4.07.

Submitted with a draft

K.S. Secy. 16
5/4/07. 7.4.07

Rec'd. 11-4-07

Draft submitted for approval.

16/4/07

Approved

16/4/07.

Done quickly. (Mallet)

Note by personal enquiry at the Comptroller's Office that copies of the order are sent to all the Officers concerned.

16/4/07

16
19.4.07

A 6 To Comptroller & Auditor General

No. F. 1943-4 of 20th April 1907

Laying down that all European Officers that entered Service prior to 25th October 1905 may be permitted to draw their pensions in England at the privilege rate of 1sh 9d the Rupee.

NOTE—Contn. sheet

D 1569

S.H. 21-06

Mysore

22/10/06

Dear Mr. Madhava Rao

Mr. Stephens drives me to enclose a letter rec'd from Mr. Rice by the mail. It seems quite clear that Mr. Rice is entitled to his 1/9? But you will have to consider the cases of the other English Officers who were in the Service

When the 1/9.d rule was introduced
they have believed themselves to
be entitled to it for years & in my
opinion if it is refused it will
do more to dishearten & disgust
them than anything the Duke
could possibly do. A Good Servant
will stand a good many knocks
but any tampering with his pen.

son put all his bristles up and naturally. The reason why the ques-
tion was raised in Standish Lees
case was because Sir P.H.K. decided
it off his own bat, & because S.L.
was born & bred in the country & there
was no more reason why he sh.
retire to England than I wd in the
country. I think that in fairness
the present rule ought only to ap-
ply to Europeans entering the
service after the rule was added

& the Mysore Rajas Probably you
scientific officers have pensions
in sterling but you have to consider
Messrs. Sparkes, Wetherall, Bowring
Cooke, Weir, Tait & Denham - They
are all good officers & you can't
afford to treat them badly.

Yours sincerely
G Macdonald

given to him at the United Service Club to thank him for his services in the matter.

These facts may perhaps not be known to the present authorities in Mysore, but you will see, I hope, that my claim is clear and indisputable. There are similar circumstances where pension has been paid at this rate and continued to be so paid. I certainly never anticipated that there would be any difficulty in my case, especially after so long a period of service, & I trust entirely undistinguished, during which a great amount of extra work &

Address - care of Messrs H. S. King & Co
Pall Mall, London

Havre 8 Oct 1906

Dear Mr. Mackara Rao,

I have received an official letter 20 FL 2034 dated the 10th Sept. relating to my pension. In this a quotation is sent to me of a note to Article 500 of the Mysore Service Regulations, and I am informed that the pension will be paid at 1/4 to Rupee, and that my claim to draw it at 1/9 cannot unless the rules be complied with.

On this subject I wrote before, pointing out that the minimum rate for conversion of civil pensions payable in England

was fixed by Parliament at 5 p.c. i.q. and sanctioned by the Secretary of State for India. I applied at the India Office for a copy of the regulation, but the rule is now so well established and generally known that though they used to have printed copies to distribute to applicants, they no longer find it necessary to print it. They however allowed me to take a copy, which I now enclose. From this you will see that the pensions drawn at or through the Home Treasury are to be converted at the minimum rate of 5 p.c. i.q. The Home Treasury in the case of the Mysore Government is of course with Coutts & Co.

This 5 p.c. rate was fixed some years ago owing to the hardships to which retired civil officers were exposed on account of the continually falling exchange, which prevented them ever knowing how much they would receive as pension. The measure was carried through Parliament mainly through the exertions of Sir Seymour King and Sir Roper Lethbridge. And when the latter came to Bangalore, I, as senior officer in Mysore benefitted by the new rule, presided at the public dinner

been done: nd should Sullivan within my official duties. The difference between a regular pension is considerable, but to the Mission Grant it is a matter of slight importance. I trust therefore that Lord Salisbury will be instructed to pay me my pension at the rate fixed by Parliament and sanctioned by the Secretary of State for European civil officers in my position.

The Hospodar rule quoted must be of comparatively recent origin, and certainly subsequent to the Pandidim. However therefore it may apply to Native officials, who as a rule retire

to live in the country, or to European officers entertained in the Mysore service since that time, - my case is quite different, as I entered the service at a time when it was British service, and when, there being no question about gold in exchange, I was entitled to look forward to a pension paid at ⅔ of the rupee.

I am staying at Haviv-on-the Hill for the present, but have been advised to leave England for the winter, and am arranging to go to Switzerland. I have been working at the third volume which is to contain a summary of the information scattered throughout the various volumes of inscriptions I have published. But it is difficult to do much while moving about from one friend's house to another.

With kind regards to yourself and other Mysore officials and friends, I remain

Yours very sincerely

L. Rice

Pensions granted in rupees which are drawn at or transferred to
some Treasury are converted into sterling at the rate of exchange
from time to time fixed by the adjustment of transactions between
the British and Indian Governments [illegible]
that in the case of persons [illegible] in which
Indian Government rupee is not less than 1s 6d is fixed
as the minimum rate at which the conversion into sterling
shall be effected.

G.R.S. 38]

File No. 2[illegible]

Serial No. 6

Diary No. of letter replied to 1569

GENERAL AND REVENUE SECRETARIAT.
(S & A)

190

Date of issue 20-4-97

Signed by [illegible]

Proceedings of the Government of His Highness the Maharaja of Mysore.

READ.— 1) The Chief Secretary's letter no. 906/75 & 76 dt. 27th April 1891 to the Resident, stating that the Mysore Govt. accepts (as regards Mysore Pensions payable in England in whole or in part) the Secretary of State's ruling guaranteeing to all pensioners (Civil & Military) in England a minimum rate of exchange of 1s 9d to the Rupee.

2) Govt. order No: 14582-3/ dy. 3394 & the 27th February 1893, extending the ruling contained in letter ~~No. 906/75 dated the 27th April 1891~~ and guaranteeing the

~~ORDER THEREON.—No.~~

payment of pensions to all European pensioners of the Mysore State, residing in England at a minimum rate of exchange, viz., 1s 9d the Rupee.

P. T. over

SUBJECT

MGCPR—20,000—24.2.95.

3) Govt: order no: H: 3252-3
dated the 21st November 1905,
~~directing~~ stating that in future proposals
to pay pension in England
at the Special rate of
S d
1. 9 can not be entertained
~~and stating~~ but that ~~there is~~ they will have
no objection to pension being
paid through the State
Bankers in England at the
fixed rate of Exchange, viz:,
S d
1. 4 the Rupee. So long as ~~such~~ the
~~an arrangement~~ can conveniently
be ~~made~~. arranged for -

3) Correspondence ending with
letter, dated the 5th October 1906,
from Mr B. L. Rice C. I. E, late
Director of Archaeology in
Mysore. Stating that the rate
of Exchange of S d 1. 4 does not,
for reasons Stated, apply in
his Case but that he is
entitled to claim his pension
at S d 1. 9 the Rupee. and requesting,

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

that in any case Special treatment be accorded to him for the Services rendered by him to the State.

4) In official note of the 7th December 1906, by the late Comptroller, Mr Basu.

No H 7943-4 order thereon:—
21-06-
Riva 20-4-07

The question for Consideration in this case is, whether the pension of Mr B. L. Rice late Director of Archaeology in Mysore, should be regulated in accordance with the Govt Pro: of the 2nd Feb: 1893, or the later order of the 21st Nov: 1905, which withdrew the Concession granted by the earlier order.

2) Mr Rice retired from Service with effect from the 1st October 1906, with a pension of Rs: 500/= granted to him, and in accordance

MGCPB—30,000—5-4-05.

with the order of the 21st Novr 1905 his pension was ordered to be paid at 1s 4d the rupee. Mr Rice apparently bases his claim to the more favourable rate of exchange upon the orders issued by the Govt of India in regard to uncovenanted officers in British Indian Service, on the ground that he took up Service in Mysore prior to the Rendition. But this contention is clearly untenable because the case of such officers has been dealt with in ~~Residency letter No: 4506 dated the 21st May 1884~~ Govt Pro: No: 6608-14/144 of the 2nd March 1885 in the ~~letter of~~ which it is laid down that "uncovenanted officers who, having no Status in British Service proper, were employed in Mysore when under British Administration and who have continued to be employed in Mysore since the Rendition of the Province, as well as all uncovenanted

in accordance with the decision of the Govt of India,

officers entertained in Mysore after the Rendition will be entitled to pensions and leave allowances under the rules now in force." From this it will be seen that Rice & other officers similarly situated ~~are therefore~~ were entitled to pension only according to the Mysore rules, & the rules for uncovenanted officers in the British Indian Service had no application to them.

3) It is a fundamental principle of the pension rules that the pension of an officer should be regulated only by the rules in force at the time when the right to pension accrues, that is, when the officer actually retires (vide Art 2 M.S.R). Except in the case of officers with whom Special Covenants regarding pay, pension &c: are entered into at the time of their entertainment it is obviously impossible for Govt.

to permit the pension of each officer to be regulated by rules in force at the time of his entry into Service or to make Special rules for each individual officer; and Govt: have ~~accordingly~~ reserved to themselves the power of making suitable changes in the pension ~~Rules~~ rules as may be ~~are~~ necessary from time to time. Strictly speaking, therefore, Mr. Rice's Case should, ~~strictly~~ ~~therefore~~ be dealt with ~~strictly~~ in accordance with the Proc: of Nov: 1905 and vide to art. 500 of the M.S.R (2nd Edn:) and his pension paid only at the rate of Rs: 2/4 the Rupee: ~~as observed by Mr Bacon~~ who however suggests that Mr: Rice's Case may be treated as a Special one, deserving Special treatment outside the Mysore Service Regulations and that he may be given a pension of Rs: 5000/- per annum at 1/4 the rupee.

4) Govt: ~~think~~ recognise that Mr: Rice deserves Special Consideration (on account of his services to the State ~~as Director of Archaeology~~ during a period of over 4½ years and as the ~~think fit to~~ decide the case of other

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GENERAL AND REVENUE SECRETARIAT.

(*Continuation Sheet draft form.*)

4. The Govt are however disposed for the reasons to be presently mentioned to take a favourable view of the case of Rice and other Europeans officers who retired Service prior to the issue of the order of 21st Nov. 1905. ~~and whose claims for favourable treatment have also been incidentally raised.~~

5.) In British India, the pensions of Uncovenanted officers were before 1890 being paid in England at rates of Exchange varying with the State of the market and fixed by the Secretary of State from time to time. Owing to the depreciation of the Rupee and the great reduction in the Sterling value of Indian Rupee pensions, the Govt of India passed orders guaranteeing a minimum rate of 1s 9d for the Conversion of rupee pensions paid in gold with effect from 1st April 1890. This ruling was applied by the Govt of India to the case of certain officers of the Burma Govt ~~who~~ that were paid

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their pensions in England by the Secretary of State for India. The Govt. first extended this concession of a minimum rate of exchange of 1s 9d the rupee to certain officers whose pensions were being paid in England direct by them and not through the Secretary of State; and then in deciding the case of Mr Dineen, a retired official of the State, who prayed for the grant of the concession, Govt. laid down in their order of the 27th February 1893 that "in future they will treat all the European Pensioners of the Mysore State in this particular matter as the Secretary of State treats the British uncovenanted pensioners." Although no note of this concession was made in the Service Regulations, pensions were paid in England in a number of instances at the favourable rate of exchange, viz: 1s 9d the rupee, till 1905, when the question of exchange was again brought before Govt. for decision in Mr Standish Lee's case -

~~applying for the payment of his pension in England~~ while sanctioning ~~the~~ ~~accordance~~ in view of the precedents the payment of Mr. Lee's pension at 1s 9d the rupee, Govt. directed, in their order of the 21st Nov. 1905, that the Concession would not be granted in future, all such payments being made at 1s 4d the rupee; and, in pursuance of this order an addendum to the Empire Service Regns 2nd Edition, was issued as note to art 500.

6) Although the Govt order of 1893 was thus ~~in effect~~ abrogated it does not appear that reference was then made to the Correspondence of 1891 & 1893 referred to above and particularly to the proceedings under which the Govt had ruled that the favourable rate of 1s 9d was to apply to all pensioners in future, and the case of the several European officers

who entered Service when that rule was in force does not seem to have been presented before Govt. for consideration at the time.

7). While agreeing with the Comptroller that the restoration of the ruling of 1893 will impose a ~~heavy~~ heavy liability on the resources of the State which has no treasury of its own in England, Govt. after very careful consideration of the matter ~~and the claims of the European officers~~, direct that, in the case of European officers who entered Service before the issue of the Govt. order of 21st November 1905, ~~drawing~~ that the concession will not be shown in future, the order of 27th February 1893 making the pensions payable at 1s 4d the rupee should be given effect to, and that officers entering Service after 21st November 1905 should not be entitled to any such

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Concession. Govt. also wish it to be distinctly understood that the concession of payment in England will be continued only so long as the Durbar possess facilities for such payment assist at present, and that if in future such facilities cease to exist the pension will cease to be payable in England and will only be paid in India at the rupee value of the pension according to the ordinary rules. ~~No Rider will accordingly be entitled to be paid his pension at 1/9 the rupee and the Comptroller will~~ issue necessary instructions to Messrs Cox & Co: at an early date.

2) The Comptroller is ~~also~~ requested to issue an "Explanation" to the rule contained in art 523 of the M.S.R (3rd Edn) to the effect that the said rule is not applicable to pensions

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European officers entertained in
Mysore prior to the 21st
November 1905, who will be
paid their pensions at 1/9
the rupee.

Mr Rice's pension will, in modification of the
order already passed in his case, be paid at 1/8-9d per rupee & the
Comptroller will issue the necessary directions accordingly.

Secretary.

The Comptroller to Govt: for information & guidance, and for communication of this order to all European officers entertained before the 21st November 1905.

B. L. Rice Esq: C.I.E.
c/o messers H.S. King & Co:
Pallmall, London.

Week [illegible] officers concerned
is paid [illegible]

H.S.

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